(f) why discriminatory attitude has been adopted by the State Bank of India/ Government towards the migrant employees ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Government redeployed such employees of Ellaquari Dehati Bank which is a Regional Rural Bank set up under the RRB Act, 1976 who had migrated from Kashmir Valley, in other RRBs situated in the adjoining. States viz. Himachal Pradesh, Haryana, Uttar Pradesh, Rajasthan, Madhya Pradesh etc. and these employees were getting their salaries from these Regionl Rural Banks (RRBs). In the recent months some ot these employees are reported to have left their places of posting and staying at Jammu on their own. Since they have left the RRBs in which they were redeployed they did not get their salaries for the last fe months. However, on consideration of the whole Issue the Chairman of Ellaquai Dehati Bank (EDB) was requested to pay an adhoc advance of three months salary to such employees on humanitarian grounds in consultation with Ministry of Home Affairs.

(c) and (d) State Bank of Indi? (SBI) is a public sector bank estblished under the SBI Act, 1955 and the Ellaquai Dehati Bank is a RRB established under the RRB Act, 1976 and therefore is a different legal entity. Merger of Ellaquai Dehati Bank with the State Bank of India or deployment of Ellaquai Dehati Bank employees in the State Bank of India is not permissible under these Acts.

(e) In 1991, a special recruitment drive wise conduct by the Staff Selection Commission (SSC) to select cnadidates for filling up of vacancies in the Offices of various Government Departments, including State Bank of India, located in the Kashmir Valley. Normally the recruitment for public sector banks is made through Banking Service Recruiment Boards (BSRBs). However, the recruit-ment for State Bank of India in Kashmir Valley was entrusted to Staff Selection Commission in order t3 cut delays as; also to provide better employment opportunities to local candidates.

(f) No discriminatory attitude has been adopted by State Bank of India/ Government to Ellaquai Dehati Bank employees.

Export of gold jewellery

1362. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news item publiched in the Hindustan Times dated 19th July, 1994 captioned "Jewellery exporters up in arms";

(b) if so, whether indecisions of the Central Board of Excise and Customs (CBEC) to allow export of gold jewellery manufactured in the country from the Export-Processing Zones (EPZ) has led to acute discontentment among the jewellery exporters apart from loss of foreign exchange to the Exchequer; and

(c) whether any representation from NEPZ in this regard has been received by Government; if so, what action has been taken thereon so far nad if not the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M V. CHANDRASHEKHAR MURTHY): (a) Yes. Sir.

(b) and (c) At present export of gems and jewellery from units located in the Export Processing Zones is permitted through air as commercial cargo. It has recently been decided to allow the exports by such jewellery units through the medium of Post Parcels also. Requests had been received from some exporters of gems and jewellery having their units in the Export Processing Zones (including those in the Noida Export Processing Zone) *inter-alia* for grant of permission to export jewellery items through personal baggage. The request is under consideration

In view of the alternative established modes of exports available, no loss of foreign exchange can be identified.

Tax on employees on foreign Companies in India

1963. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether a recent circular issued by CBDT directing overseas payments by foreign companies to their employees working in India to be taxed in India, has caused much flutter; and

(b) if so, what are the details of the circular, and what is the response of the foreign companies thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) The Central Board of Direct Taxes have issued a circular. No. 685, dated 20th June, 1994, regarding defaults committed by employers, including foreign companies, in the matter of deduction of tax at source from salaries/ allowances piad abroad, and, perquisites-provided abroad, to their employees for services rendered in India. As all such payments/perquisites are taxable in lndia, the CBDT, through the said circular, gave a chance to all such employers, including foreign companies, to pay the due amount of tax, alongwith interest leviable thereon, by the 31st of July, 1994 in which case no penalties or prosecution would be initiated against them. The Board are not aware of any flutter having been caused amongst the foreign companies due to the aforesaid Circular. On the other hand the Board's d-'rectivc ap-pears fo have been taken, as it should, in the right spirit by the foreign com-panies, some of whom approached the Board for extension of the last date for payment, prescribed in the circular. This request has already been acceded to by the Board and the last date for making payment has been extended upto 31st August, 1994.

Reviewing of credit policy

1964. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE *be* pleased to state:

(a) whether the Confederation of Indian Industry has criticised the Government for its recently announced credit policy:

(b) if so, the details of the credit po licy issued on which the CH has point ed out discrepancies;

(c) whether Government propose to review its credit policy; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) The Confederation of Indian Industry (CH) has expressed the view that greater emphasis bo-placed on the industrial growth. CH has also stressed that while banks have been asked to fully meet the credit requirements of exports, agriculture, small scale industries and weaker sections, there is no mention of the credit requirements of medium and large in-dustry. CH has also stated that it is necessary to bring down the interest rates to make Indian industry globally competitive.

(c) and (d) The monetary and credit policy is so framed as to meet the) credit requirements of all the sectors of the economy including those of large and medium industry. The policy for the first half of 1994-95 ensures that adequate support is provided by the banking system for revival of output by adequate availability of credit. The credit policy is kept under continuous review by RBI. Credit Policy measures are introduced, relaxed or tightened by RBI from time to time as and when the situation so warrants.